UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended: December 31, 2014

or

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from

Commission File Number: **333-178738**

SPIRAL TOYS, INC.

(Exact name of registrant as specified in its charter)

Nevada	**27-3388068**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

29130 Medea Lane #1207,Agoura Hills, CA 91301
(Address of principal executive offices, Zip Code)

(844) 681-7627
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act: None

Securities registered pursuant to Section 12(g) of the Act: Common Stock, par value $0.001

Indicate by check mark if the Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes [ ] No [X]

Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or 15(d) of the Exchange Act. Yes [ ] No [X]

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
Yes [X] No [ ]
Indicate by check mark whether the Registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes [X] No [ ]

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [ ]

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company:

Large accelerated filer	[ ]	Accelerated filer	[ ]
Non-accelerated filer	[ ]	Smaller reporting company	[X]

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes [ ] No [X]

State the aggregate market value of the voting and non-voting common stock held by non-affiliates computed by reference to the price at which the common stock was last sold, or the average bid and asked price of such common stock, as of the last business day of the Registrant's most recently completed second fiscal quarter.

As of June 30, 2014 (the last business day of the most recently completed second fiscal quarter) the aggregate market value of the common stock held by non-affiliates was approximately $642,133.

Indicate the number of shares outstanding of each of the registrant's classes of common equity, as of the latest practicable date:

April 7, 2015: Common – 42,223,194

Documents incorporated by reference: None.

Table of Contents

FORWARD-LOOKING STATEMENTS

In this Annual Report on Form 10-K, references to "Spiral Toys,""Spiral," the "Company," "we," "us," "our" and words of similar import refer to Spiral Toys Inc., a Nevada corporation, unless the context requires otherwise.

This Annual Report contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). In some cases, you can identify forward-looking statements by the following words: "anticipate," "believe," "continue," "could," "estimate," "expect," "intend," "may," "ongoing," "plan," "potential," "predict," "project," "should," "will," "would," or the negative of these terms or other comparable terminology, although not all forward-looking statements contain these words. Forward-looking statements are not a guarantee of future performance or results, and will not necessarily be accurate indications of the times at, or by, which such performance or results will be achieved. Forward-looking statements are based on information available at the time the statements are made and involve known and unknown risks, uncertainties and other factors that may cause our results, levels of activity, performance or achievements to be materially different from the information expressed or implied by the forward-looking statements in this report. These factors include, among others:

- *our ability to raise capital;*
- *our ability to successfully implement our business plan;*
- *declines in general economic conditions in the markets where we may operate; and*
- *significant competition in the markets where we may operate.*

You should read any other cautionary statements made in this Annual Report as being applicable to all related forward-looking statements wherever they appear in this Annual Report. We cannot assure you that the forward-looking statements in this Annual Report will prove to be accurate, and therefore, prospective investors are encouraged not to place undue reliance on forward-looking statements. Other than as required by law, we undertake no obligation to update or revise these forward-looking statements, even though our situation may change in the future.

JUMPSTART OUR BUSINESS STARTUPS ACT DISCLOSURE

We qualify as an "emerging growth company," as defined in Section 2(a)(19) of the Securities Act by the Jumpstart Our Business Startups Act (the "JOBS Act"). An issuer qualifies as an "emerging growth company" if it has total annual gross revenues of less than $1.0 billion during its most recently completed fiscal year, and will continue to be deemed an emerging growth company until the earliest of:

- the last day of the fiscal year of the issuer during which it had total annual gross revenues of $1.0 billion or more;

- the last day of the fiscal year of the issuer following the fifth anniversary of the date of the first sale of common equity securities of the issuer pursuant to an effective registration statement;

- the date on which the issuer has, during the previous three-year period, issued more than $1.0 billion in non-convertible debt; or

- the date on which the issuer is deemed to be a "large accelerated filer," as defined in Section 240.12b-2 of the Exchange Act.

As an emerging growth company, we are exempt from various reporting requirements. Specifically, we are exempt from the following provisions:

- Section 404(b) of the Sarbanes-Oxley Act of 2002, which requires evaluations and reporting related to an issuer's internal controls;

- Section 14A(a) of the Exchange Act, which requires an issuer to seek shareholder approval of the compensation of its executives not less frequently than once every three years; and

- Section 14A(b) of the Exchange Act, which requires an issuer to seek shareholder approval of its so-called "golden parachute" compensation, or compensation upon termination of an employee's employment.

Under the JOBS Act, emerging growth companies may delay adopting new or revised accounting standards that have different effective dates for public and private companies until such time as those standards apply to private companies.

PART I

ITEM 1. BUSINESS

DESCRIPTION OF BUSINESS

Corporate History

On September 2, 2010, Rocap Marketing Inc. was incorporated in the State of Nevada and established a fiscal year end of December 31. Our business office is located at 29130 Medea Lane #1207, Agoura Hills, CA 91301, our registered office is located at 2360 Corporate Circle, Suite 400, Henderson, Nevada, 89074-7722, and our telephone number is (213) 489-1377.

From 2010 until July 1, 2014 we were engaged in the production and sale of children's dancewear and playwear through our subsidiary Lexi-Luu Designs Inc. ("Lexi-Luu"), which we had acquired from Hubert Blanchette for 2,500,000 shares of our common stock. On July 1, 2014, the Company acquired 100% of the membership units of Spiral Toys LLC ("Spiral Toys"), a California limited liability company.

Subsequent to the acquisition of Spiral Toys, the Company discontinued the operations of Lexi-Luu. The Purchase Agreement for Lexi Luu included a provision whereby if we undertook an acquisition of, or merge with, another company which resulted in the dilution of Mr. Blanchette's interest in Rocap, Mr. Blanchette had the right to repurchase our Lexi-Luu shares in exchange for his 2,500,000 Rocap shares. Mr. Blanchette exercised that option on July 1, 2014.

Spiral Toys LLC Overview

Spiral Toys is a California-based company dedicated to developing, marketing, and selling products and mobile applications in the mobile-connected space. Spiral has developed several technology platforms that enable it to obtain multiple revenue streams from a single product.

Spiral collects revenue on both the physical purchase of goods and sale of digital content through the Apple App Store and Google Marketplace. Founded in 2011 by a former senior executive with Disney and Sony, the company has developed an integrated hardware/software/cloud solution that enables mobile-connected entertainment.

Spiral's mobile-connected entertainment platform connects physical items to today's top mobile devices through wireless technologies, creating a unique interactive user experience. Spiral sells its products worldwide and is developing additional applications, based on its platform technology, for several different verticals within the entertainment industry. The company also acts as co-developer with major entertainment studios.

Principal Products and Their Markets

Spiral Toys specializes in connected technologies in entertainment products. Spiral uses technology evolutions to establish brands with consumers in all audiences. Spiral has several products ready to be launched in 2015 and in development.

- CloudPets – Cloudpets is a Bluetooth Low Energy toy that lets parents, grandparents and other family members share in a child's playtime through their Apple and Android devices. CloudPets plans to launch in North America on direct response television this April and will be at all major retailers by late summer. Our audience is young children and parents.
- DropKins – Dropkins is an ultrasonic toy platform that communicates with Apple and Android devices through high frequency audio out of the audible range. The platform is relatively low cost. We plan to launch DropKins on television in August and in retail for the holiday season of 2015.

- StorytimePets – Storytime Pets is an AR (augmented reality) platform that allows children to use Apple and Android devices to read pages of a physical book. The StoryTime Pet reads the story back to the child as the mobile device recognizes the page of the book. The Storytime pets are currently in development and are expected to be launched in early 2106 on direct response television.
- Vinyl – Vinyl is Spiral's NFC (Near Field Communication) platform that will connect to popular social platforms such as Facebook, Instagram, Pintrest, and Twitter. This is the first platform to connect social platforms to physical items through mobile connected technologies. We expect this product to be launched in late 2015 or early 2016.

Distribution Methods

Spiral licenses its properties to several direct retail distributors and retail television companies. The Spiral focus is on creating the property, building the consumer message and partnering to co-own brands with some of the biggest retail focused companies in North America. This model gives Spiral the ability to incubate several properties and limits Spiral's exposure and risk. This model also gives Spiral the ability to reach large retailers such as Walmart, Target, TRU and Walgreen.

During 2014, Spiral partnered with a distributor located in Hong Kong. This toy distributor handled all aspects of the manufacture and distribution of our first product. In return, Spiral received 50% of the Gross Margin on those sales, adjusted for distributor overhead. In 2014, the income to Spiral Toys was $194,321. In 2015, Spiral will be using a different distributor in the launch of Cloud Pets. As the distributor is overseeing manufacturing, media and distribution, the products will be marketed under the distributor's name.

Spiral is in the process of establishing similar distribution networks and partnerships in EU and Asia.

Revenue Sources

Spiral toys collects revenue from multiple sources:

- Spiral sells technology to its partners with a margin on the production cost of the unit.
- Spiral collects a licensing royalty from its partners on the sale of the product to television and mass retail
- Spiral collects revenue on the sale of digital content on Android Marketplace and Apple APP Store

Competitive Conditions

There are several companies trying to enter this market. Spiral has not only positioned itself as a market innovator but has built a structure that gives it the ability to bring product to market rapidly.

Comment [B1]: What market? You haven't defined it. And who are your significant competitors in that market?

- Internal technology team focused on rapid prototyping, product development, and production readiness.
- Hong Kong based organization focused on production readiness and low cost manufacturing.
- North American Business development team structuring deals with launch partners.
- Marketing partnerships with Echo Factory to launch brands on television and digital media to establish brands and sell product.

Spiral is not just focused on innovations but speed to market. This is our competitive advantage over other firms that are doing technology development or larger firms that can not move product to market quickly. We have streamlined infrastructure, relying heavily on forging third party relationships to enable us to make changes in our model and operations in a efficient manner.

Spiral has also filed over 10 patents and trademarks in the last 12 months that gives us the ability to protect our innovations and brands.

Spiral Toys currently sells its products through an exclusive relationship to a national toy distributor. During the year ended December 31, 2014 the Company derived 100% of its revenues from two companies. During the year ended December 31, 2013 the Company derived 43% of its revenue from one company. The 2013 revenue was part of the discontinued operations.

Importance of Patents and Trademarks

Spiral Toys has filed for several patents covering the technology of its current product and for a product under development. In addition, it applied for U.S. federal trademark protection for its logo.

Employees

Spiral Toys currently employs four full-time and three part-time employees. None of Spiral Toys' employees are part of a collective bargaining agreement; it has had no work stoppages relating to employment contract disputes, and management believes its relationship with its employees is good. In addition, Spiral engages approximately fifteen non-employee independent consultants.

ITEM 1A. RISK FACTORS

An investment in our Common Stock involves a high degree of risk. You should carefully consider the risks described below and the other information in this Report before investing in our Common Stock. If any of the following risks occur, our business, operating results and financial condition could be seriously harmed.

Risks Relating to Our Business

Investing in the company is a highly speculative investment and could result in the loss of your entire investment.

A purchase of our Common Stock is significantly speculative and involves significant risks. Our Common Stock should not be purchased by any person who cannot afford the loss of his or her entire purchase price. The business objectives of the Company are also speculative, and we may be unable to satisfy those objectives. The stockholders of the Company may be unable to realize a substantial return on their purchase of our Common Stock, or any return whatsoever, and may lose their entire investment in the Company.

Insiders have majority control over us, which could limit your ability to influence the outcome of key transactions, including a change of control.

Our current management team consisting of our CEO, CFO and board members, control approximately 54 percent of the voting power of our outstanding stock. As a result, these stockholders, if acting together, would be able to control matters requiring approval by our stockholders, including the election of directors and the approval of mergers, acquisitions or other extraordinary transactions. They may also have interests that differ from yours and may vote in a way with which you disagree and which may be adverse to your interests. This concentration of ownership may have the effect of delaying, preventing or deterring a change of control of our company, could deprive our stockholders of an opportunity to receive a premium for their common stock as part of a sale of our company and might ultimately affect the market price of our common stock.

There is a substantial doubt about our ability to continue as a going concern.

Our independent registered public accountants have expressed substantial doubt about our ability to continue as a going concern. This opinion could materially limit our ability to raise additional funds by issuing new debt or equity securities or otherwise. If we fail to raise sufficient capital when needed, we will not be able to complete our proposed business plan. As a result we may have to liquidate our business and investors may lose their investment. Potential investors should consider our independent registered public accountants' comments when determining if an investment in Spiral Toys, Inc. is suitable.

We have a limited operating history. There is no assurance our future operations will result in profitable revenues. If we cannot generate sufficient revenues to operate profitably, we may suspend or cease operations.

We acquired Spiral Toys LLC on July 1, 2014 and have a limited operating history. Given our limited operating history, there can be no assurance that we can build our business such that we can earn a significant profit or any profit at all. The future of our Company will depend upon our ability to obtain and retain customers and when needed, sufficient financing and continuing support from stockholders and creditors and to achieve and maintain profitable operations. The likelihood of success must be considered in light of the problems, expenses, difficulties, complications and delays encountered in connection with the operations that we undertake. There is no history upon which to base any assumption as to the likelihood that we will prove successful, and there is significant risk that we can generate the sales volumes and revenues to achieve profitable operations. To the extent that we cannot achieve our plans and generate revenues which exceed expenses on a consistent basis and in a timely manner, our business, results of operations, financial condition and prospects will be materially adversely affected.

We will require financing to achieve our current business strategy and our inability to obtain such financing could prohibit us from executing our business plan and cause us to slow down our expansion of operations.

We will need to raise funds through public or private debt or sale of equity to achieve our current business strategy. Such financing may not be available when needed. Even if such financing is available, it may be on terms that are materially adverse to your interests with respect to dilution of book value, dividend preferences, liquidation preferences, or other terms. Our capital requirements to implement our business strategy will be significant. Moreover, in addition to monies needed to continue operations over the next twelve months, we anticipate requiring additional funds to expand our operations significantly as set forth in our plan of operations.

There can be no assurances that such funding will be available to us on terms that would be acceptable and at this time we have no specific details regarding the timing, source or manner in which we will raise any such funds. Accordingly, there can be no assurance that we will be able to obtain financing if and when it is needed on terms we deem acceptable. If we are unable to obtain financing on reasonable terms, we could be forced to delay or scale back our plans for expansion. In addition, such inability to obtain financing on reasonable terms could have a material adverse effect on our business, operating results, or financial condition.

Spiral Toys operates in a highly competitive market and the size and resources of many of its competitors may allow them to compete more effectively than it can, resulting in a loss of its market share and a decrease in our net revenue and an inability to achieve profitability.

The market for toys and on-line gaming applications is highly competitive. Competition may result in pricing pressures, reduced profit margins or lost market share, or a failure to grow Spiral Toy's market share, any of which could substantially harm its business and results of operations. Spiral Toys competes directly against wholesalers and direct retailers of games and toys, including large, diversified entertainment companies with substantial market share. Many of its competitors have significant competitive advantages, including longer operating histories, larger and broader customer bases, less-costly offshore production, more established relationships with a broader set of suppliers, greater brand recognition and greater financial, research and development, marketing, distribution and other resources than Spiral Toys does.

If Spiral Toys fails to continue to develop attractive and innovative products and provide consumers with design features that meet their expectations, it may not be able to generate sufficient consumer interest in its digital products to remain competitive.

Spiral Toys must continue to develop attractive and innovative product designs to attract and retain consumers. If it is unable to anticipate consumer preferences or industry changes, or if it is unable to modify its products on a timely basis, it may lose customers or become subject to greater pricing pressures. Spiral Toys' operating results would also suffer if its innovations do not respond to the needs of its customers, are not appropriately timed with market opportunities or are not effectively brought to market. Any failure on Spiral Toys' part to innovate and design new products or modify existing products will hurt its brand image and could result in a decrease in net revenue. Any of these factors could harm our business or stock price.

If we are unable to manage our planned growth, our operations could be adversely impacted.

We expect to experience growth in the future. The management of such growth will require, among other things, continued development of our financial and management controls and management information systems, management of our production and distribution systems, stringent control of costs and inventories, increased spending associated with marketing activities and acquisition of retailers, the ability to attract and retain qualified management personnel and the training of new personnel. In addition, growth will eventually require the expansion of our billing, customer care and online sales systems, which will require additional capital expenditures and may divert the time and attention of management personnel who oversee any such expansion. Failure to manage our expected growth and development successfully, to enhance our processes and management systems or to resolve any such difficulties adequately or in a timely manner could have a material adverse effect on our business, financial condition and results of operations.

Risks Relating to Our Common Stock

FINRA sales practice requirements may limit a stockholder's ability to buy and sell our stock.

The Financial Industry Regulatory Authority ("FINRA") has adopted rules that relate to the application of the SEC's "penny stock" rules in trading our securities. For the purposes relevant to us, a penny stock is any equity security that has a market value of less than $5.00 per share, subject to certain exceptions. These rules require that a broker/dealer have reasonable grounds for believing that the investment is suitable for that customer, prior to recommending the investment. Prior to recommending speculative, low priced securities to their non-institutional customers, broker/dealers must make reasonable efforts to obtain information about the customer's financial status, tax status, investment objectives and other information. Under interpretations of these rules, FINRA believes that there is a high probability that speculative, low priced securities will not be suitable for at least some customers. The FINRA requirements make it more difficult for broker/dealers to recommend that their customers buy our Common Stock, which may have the effect of reducing the level of trading activity and liquidity of our Common Stock. Further, many brokers charge higher transactional fees for penny stock transactions. As a result, fewer broker/dealers may be willing to make a market in our Common Stock, reducing a shareholder's ability to resell shares of our Common Stock.

The market for penny stocks has experienced numerous frauds and abuses that could adversely impact investors in our stock.

Our management believes that the market for penny stocks has suffered from patterns of fraud and abuse. Such patterns include:

- Control of the market for the security by one or a few broker-dealers that are often related to the promoter or issuer;
- Manipulation of prices through prearranged matching of purchases and sales and false and misleading press releases;
- "Boiler room" practices involving high pressure sales tactics and unrealistic price projections by sales persons;
- Excessive and undisclosed bid-ask differentials and markups by selling broker-dealers; and,
- Wholesale dumping of the same securities by promoters and broker-dealers after prices have been manipulated to a desired level, along with the inevitable collapse of those prices with consequent investor losses.

If investors generally share this perception, fewer investors may be willing to purchase our Common Stock. This, in turn, could have the effect of reducing the trading activity in the secondary market for our stock and reducing our shareholders' ability to resell shares of our Common Stock.

We do not intend to pay dividends for the foreseeable future.

We have never declared or paid any dividends on our Common Stock. We intend to retain all of our earnings for the foreseeable future to finance the operation and expansion of our business, and we do not anticipate paying any cash dividends in the future. As a result, you may only receive a return on your investment in our Common Stock if the market price of our Common Stock increases. Our board of directors retains the discretion to change this policy.

Because we are not subject to compliance with rules requiring the adoption of certain corporate governance measures, our stockholders have limited protection against interested director transactions, conflicts of interest and similar matters.

The Sarbanes-Oxley Act of 2002, as well as rule changes proposed and enacted by the SEC, the New York and American Stock Exchanges and the Nasdaq Stock Market, as a result of Sarbanes-Oxley, require the implementation of various measures relating to corporate governance. These measures are designed to enhance the integrity of corporate management and the securities markets and apply to securities that are listed on those exchanges or the Nasdaq Stock Market. Because we are not presently required to comply with many of the corporate governance provisions and because we chose to avoid incurring the substantial additional costs associated with such compliance any sooner than legally required, we have not yet adopted these measures.

We do not currently have independent audit or compensation committees. As a result, these directors have the ability, among other things, to determine their own level of compensation. Until we comply with such corporate governance measures, regardless of whether such compliance is required, the absence of such standards of corporate governance may leave our stockholders without protections against interested director transactions, conflicts of interest, if any, and similar matters and investors may be reluctant to provide us with funds necessary to expand our operations.

Our board of directors has the authority, without stockholder approval, to issue preferred stock with terms that may not be beneficial to common stockholders and with the ability to adversely affect stockholder voting power and perpetuate their control over us.

Our articles of incorporation allow us to issue shares of preferred stock without any vote or further action by our stockholders. Our board of directors has the authority to fix and determine the relative rights and preferences of preferred stock. Our board of directors also has the authority to issue preferred stock without further stockholder approval, including large blocks of preferred stock. As a result, our board of directors could authorize the issuance of a series of preferred stock that would grant to holders the preferred right to our assets upon liquidation, the right to receive dividend payments before dividends are distributed to the holders of common stock and the right to the redemption of the shares, together with a premium, prior to the redemption of our common stock.

ITEM 1B. UNRESOLVED STAFF COMMENTS

Not applicable.

ITEM 2: PROPERTIES

Currently, neither Spiral Toys, Inc. nor Spiral Toys LLC have any leases for property or leased spaces. Currently the Company is using shared spaces provided by executive officers. No associated cost has been included in the financial statements for these contributions.

ITEM 3: LEGAL PROCEEDINGS

None.

ITEM 4: MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5:MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

The Company's common stock is listed for quotation on the OTCQB under the symbol "STOY." Because we are quoted on the OTCQB, our securities may be less liquid, receive less coverage by security analysts and news media, and generate lower prices than might otherwise be obtained if they were listed on a national securities exchange.

The initial quote reported by the OTCQB occurred on February 24, 2014. The following table sets forth the high and low bid prices for our Common Stock per quarter since that date as reported by the OTCBB for the periods indicated. These prices represent quotations between dealers without adjustment for retail mark-up, mark down or commission and may not represent actual transactions.

Fiscal Year 2014	High	Low
First Quarter (January 1, 2014 – March 31, 2014)	$ .20a	$ .20
Second Quarter (April 1, 2014 – June 30, 2014)	$ .60	$ .20
Third Quarter (July 1, 2014 – September 30, 2014)	$ .50	$ .20
Fourth Quarter (October 1, 2014 – December 31, 2014)	$ .45	$ .30

Record Holders

As of April 7, 2015, there were 42,223,194 shares of the registrant's $0.001 par value Common Stock issued and outstanding, which were owned by 57 holders of record, based on information provided by our transfer agent.

Recent Sales of Unregistered Securities

During the 4th quarter of 2014, the Company sold a total of 3,383,333 shares of common stock to unrelated individuals in a private offering. The purchase price for the shares was $.15 per share, or a total of $507,500. The shares were sold to individuals who are accredited investors and were purchasing for their own accounts. The offering, therefore, was exempt from registration under the Securities Act of 1933 pursuant to Section 4(2) and Section 4(5) of the Securities Act.

Re-Purchase of Equity Securities

None.

Dividends

We have not paid any cash dividends on our Common Stock since inception and presently anticipate that all earnings, if any, will be retained for development of our business and that no dividends on our Common Stock will be declared in the foreseeable future. Any future dividends will be subject to the discretion of our Board of Directors and will depend upon, among other things, future earnings, operating and financial condition, capital requirements, general business conditions and other pertinent facts. Therefore, there can be no assurance that any dividends on our Common Stock will be paid in the future.

Securities Authorized for Issuance Under Equity Compensation Plans

The information set forth in the table below regarding equity compensation plans (which include individual compensation arrangements) was determined as of December 31, 2014.

	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans
Equity compensation plans approved by security holders.	-	$ -	1,500,000
Equity compensation plans not approved by security holders	-	-	-
Total	-	$ -	1,500,000

____

(1) In 2014 the Board of Directors adopted the 2015 Equity Incentive Plan. The Plan authorizes the Board to issue up to 1,500,000 shares. The shares may be awarded to employees or directors of Spiral Toys or its subsidiaries as well as to consultants to those entities. The shares may be awarded as outright grants or in the form of options or restricted stock.

ITEM 6. SELECTED FINANCIAL DATA

We are a smaller reporting company as defined by Rule 12b-2 of the Securities Exchange Act of 1934 and are not required to provide the information under this item.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

Forward-looking Statements

Statements made in this Annual Report which are not purely historical are forward-looking statements with respect to the goals, plan objectives, intentions, expectations, financial condition, results of operations, future performance and business of our Company, including, without limitation, (i) our ability to raise capital, and (ii) statements preceded by, followed by or that include the words "may", "would", "could", "should", "expects", "projects", "anticipates", "believes", "estimates", "plans", "intends", "targets" or similar expressions.

Forward-looking statements involve inherent risks and uncertainties, and important factors (many of which are beyond our Company's control) that could cause actual results to differ materially from those set forth in the forward-looking statements, including the following, general economic or industry conditions, nationally and/or in the communities in which our Company conducts business, changes in the interest rate environment, legislation or regulatory requirements, conditions of the securities markets, our ability to raise capital, changes in accounting principles, policies or guidelines, financial or political instability, acts of war or terrorism, other economic, competitive, governmental, regulatory and technical factors affecting our Company's operations, products, services and prices.

Accordingly, results actually achieved may differ materially from expected results in these statements. Forward-looking statements speak only as of the date they are made. Our Company does not undertake, and specifically disclaims, any obligation to update any forward-looking statements to reflect events or circumstances occurring after the date of such statements.

RESULTS OF OPERATIONS

Year ended December 31, 2014 compared to the year ended December 31, 2013

The nature of our operations changed completely on July 1, 2014. On that date, we acquired 100% ownership of Spiral Toys, LLC, which designs and distributes physical toys as well as online entertainment applications. As such, our business will be focused in the development, manufacture, licensing and distribution of entertainment properties, both physically and via digital media. The shares of Spiral Toys LLC were exchanged for 18,130,667 shares of Company Stock and as a result, we recognized $2,840,203 of goodwill upon the acquisition. The acquisition of Spiral gives the Company a stable of products, both ready for market/selling as well as development to continue generating revenue for several years. The Company provides a vehicle that allows for financing and development of these products. The combined synergies allow for an enhanced environment of growth. Company management performed an analysis of the Goodwill in conjunction with their year end accounting review and determined that a complete write-off was prudent. Therefore, a non-cash charge of $2,840,203 was recorded as an Operating Expense.

On the same date, the Company divested itself of its prior business, Lexi-Luu Designs. Hubert Blanchette, from whom we acquired Lexi-Luu Designs, Inc., exercised his option to repurchase Lexi-Luu Designs from us in exchange for the 2.5 million Company shares that was the original purchase price. As a result of these events occurring, our financial statements reflect the financial condition and results of operations of Lexi-Luu Designs, Inc. as a discontinued operation. The results of 2013 have been restated to reflect Lexi-Luu as a discontinued operation.

Effective July 1, 2014, Spiral Toys LLC became the sole operating unit of the Company. During 2014, Spiral Toys generated revenue of $269,299. Spiral revenue is currently generated in two manners. The first is consulting and other revenue that is recognized upon the fulfillment of contractual milestones with pre-set remuneration. During 2014, the Company was engaged by a major studio in the development of entertainment properties. This operating income amounted to $74,978, or 28% of reported revenues. The second revenue source is the sale of physical toys. The toys are sold through a third party distributor and Spiral receives 50% of the net profit per item. Only settled invoices are taken into revenue. During the year ended December 31, 2014, the income associated with this second line was $194,321.

In our operating costs are development costs and media costs which are directly related to the production of income. Our policy is to expense these items as incurred. For the year 2014, these development costs and media costs were $82,368 and $61,448, respectively.

Other expenses in 2014 were Salaries, wages and consulting, $350,391, Professional fees, $243,702 and General and administrative, 73,577. Spiral Toys is increasing its operations in connection with its product launch in 2015 and related development. As such, we anticipate adding to the Spiral Team and expect the Salaries, wages and consulting to increase significantly in 2015. Professional fees consist of legal, accounting, auditing, marketing and stock related costs. We incurred higher costs as a result of the Spiral Toys LLC acquisition, although, we could have transaction costs in 2015 that will be similar or exceed the amount in 2014. General and administrative costs include travel. In 2015 we are opening subsidiaries in Vancouver, Canada (for development activities) and Hong Kong (for product manufacturing activities).

During the year ended December 31, 2014, we incurred $54,065 in interest expense. Our interest expense will increase in the coming quarters due to a service contract that we entered in July 2014 with a firm that provides marketing services. As part of the agreement, the vendor receives $7,000 per month in convertible notes which can be exchanged for common stock at $0.25 per share. Should the vendor chose to receive the common stock, it receives an equal amount of shares in a "bonus" payment. As of December 31, 2014 there were $42,000 in notes payable to the vendor. In March 2014 the vendor exercised the option, and 168,000 shares were issued, representing $21,000 in services rendered and $21,000 recorded as interest expense. Accordingly, as long as this arrangement continues, our quarterly interest expense will be increased by $21,000.

Our operations for the year ended December 31, 2014 resulted in a net loss of $3,460,207. Included in that number was a net loss of $23,752 attributable to the discontinued Lexi-Luu operations.

Liquidity and Capital Resources

As of December 31, 2014, the Company had a negative working capital of $48,775. However, included in this amount are short term liabilities of $42,000 for convertible notes, notes payable-related parties of $115,738 with related interest payable of $21,079. The convertible notes were exchanged for equity in March 2015. The notes payble-related parties and accrued interest payable are only payable upon the completion of an equity raise of $2,000,000 and are also convertible upon the holders consent into common stock.

During the year ended December 31, 2014, the Company experienced negative cash flow of $533,377 from operating activities. The Company met its cash requirements during this period primarily through its equity financing activities, realizing a cash inflow from financing activities in the amount of $761,714.

Off-Balance Sheet Arrangements

The Company had no off-balance sheet arrangements during the periods covered by this Annual Report and the financial statements that accompany this Annual Report.

Critical Accounting Policies

Our financial statements and accompanying notes have been prepared in accordance with United States generally accepted accounting principles applied on a consistent basis. The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods.

We regularly evaluate the accounting policies and estimates that we use to prepare our financial statements. A complete summary of these policies is included in the notes to our financial statements. In general, management's estimates are based on historical experience, on information from third party professionals, and on various other assumptions that are believed to be reasonable under the facts and circumstances. Actual results could differ from those estimates made by management.

Going Concern

We have not attained profitable operations and are dependent upon obtaining financing to pursue any extensive acquisitions and activities. For these reasons, our auditors stated in their report on our audited financial statements that there is substantial doubt that we will be able to continue as a going concern without further financing.

Future Financings

We will continue to rely on equity sales of our common shares in order to continue to fund our business operations. Issuances of additional shares will result in dilution to existing stockholders. There is no assurance that we will achieve any additional sales of the equity securities or arrange for debt or other financing to fund our operations and other activities.

Contractual Obligations

We are a smaller reporting company as defined by Rule 12b-2 of the Securities Exchange Act of 1934 and are not required to provide the information under this item.

Recently Issued Accounting Pronouncements

The Company has implemented all new accounting pronouncements that are in effect. These pronouncements did not have any material impact on the financial statements unless otherwise disclosed, and the Company does not believe that there are any other new accounting pronouncements that have been issued that might have a material impact on its financial position or results of operations.

ITEM 7A: QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not required for smaller reporting companies.

ITEM 8: FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors
Spiral Toys, Inc.
(formerly Rocap Marketing, Inc.)
Agoura Hills, California

We have audited the accompanying consolidated balance sheets of Spiral Toys, Inc. (formerly Rocap Marketing Inc.) as of December 31, 2014 and 2013, and the related consolidated statements of operations, stockholders' deficit, and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Spiral Toys, Inc. (formerly Rocap Marketing, Inc.) as of December 31, 2014 and 2013, and the results of their operations and their cash flows for the years then ended, in conformity with U.S. generally accepted accounting principles.

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 3 to the consolidated financial statements, the Company had an accumulated deficit at December 31, 2014, a net loss, and negative cash flows from operations. This raises substantial doubt about the Company's ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 3 to the consolidated financial statements. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

<u>/s/ HJ Associates & Consultants, LLP</u>
HJ Associates & Consultants, LLP
Salt Lake City, Utah
April 15, 2015

SPIRAL TOYS, INC.
(formerly ROCAP MARKETING, INC. and SUBSIDIARY)
Consolidated Balance Sheets

	December 31, 2014	December 31, 2013
ASSETS		
CURRENT ASSETS		
Cash	$ 245,091	$ 16,746
Total Current Assets	245,091	16,746
OTHER ASSETS		
Goodwill (Note 6)	-	-
Net assets of discontinued operations	-	71,189
Total Other Assets	-	71,189
TOTAL ASSETS	$ 245,091	$ 87,935
LIABILITIES AND STOCKHOLDERS' DEFICIT		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	$ 115,049	$ 43,459
Advance from distributor	-	-
Salaries payable	-	253,500
Convertible short term notes	42,000	-
Current maturities of notes payable - related parties	115,738	105,738
Interest payable	21,079	10,068
Net liabilities of discontinued operations	-	488,181
Total Current Liabilities	293,866	900,946
TOTAL LIABILITIES	293,866	900,946
STOCKHOLDERS' DEFICIT		
Preferred stock: par value $0.001, 1,000,000 shares authorized; zero shares issued and outstanding	-	-
Common stock: par value $0.001, 74,000,000 shares authorized; 41,336,667 and 20,630,667 shares issued and outstanding, respectively	41,337	20,631
Additional paid-in capital	4,208,516	74,615
Accumulated deficit	(4,298,628)	(838,421)
Stockholders' Deficit	(48,775)	(743,175)
NON-CONTROLLING INTEREST IN SUBSIDIARY		
Non-controlling interest - capital stock in consolidated subsidiary	-	2,000
Non-controlling interest - retained deficit in consolidated subsidiary	-	(71,836)
NON-CONTROLLING INTEREST IN SUBSIDIARY	-	(69,836)
TOTAL STOCKHOLDERS' DEFICIT	(48,775)	(813,011)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	$ 245,091	$ 87,935

See accompanying notes to the consolidated financial statements.

SPIRAL TOYS, INC.

(formerly ROCAP MARKETING, INC. and SUBSIDIARY)

Consolidated Statements of Operations

	For the Year Ended December 31, 2014	For the Year Ended December 31, 2013
SALES		
Product sales	$ 194,321	$ -
Consulting- product development	74,978	-
Total Sales	269,299	-
OPERATING EXPENSES		
Media costs	61,448	-
Product development costs	82,368	-
Legal and professional expenses	243,702	65,841
Salaries and wages and consulting	350,391	78,000
General and administrative	73,577	280
Impairment of goodwill	2,840,203	-
Total Operating Expenses	3,651,689	144,121
LOSS FROM OPERATIONS BEFORE OTHER EXPENSE	(3,382,390)	(144,121)
OTHER EXPENSE		
Interest expense	(54,065)	(7,684)
Total Other Expense	(54,065)	(7,684)
LOSS BEFORE INCOME TAX PROVISION AND NON-CONTROLLING INTEREST	(3,436,455)	(151,805)
Income tax provision	-	-
NET LOSS FROM CONTINUING OPERATIONS BEFORE DISCONTINUED OPERATIONS	(3,436,455)	(151,805)
Net loss attributable to discontinued operations	(23,752)	(184,090)
INCOME (LOSS) BEFORE NON-CONTROLLING INTEREST	(3,460,207)	(335,895)
Loss attributable to non-controlling interest	-	36,819
NET (LOSS) ATTRIBUTABLE TO COMMON STOCKHOLDERS	$ (3,460,207)	$ (299,076)
NET INCOME (LOSS) PER COMMON SHARE BASIC AND DILUTED		
Continuing operations	$ (0.12)	$ (0.01)
Discontinued operations	$ (0.00)	$ (0.01)
Total	$ (0.12)	$ (0.02)
Weighted average common shares outstanding BASIC AND DILUTED	29,413,197	20,630,667

See accompanying notes to the consolidated financial statements.

SPIRAL TOYS, INC.
(formerly ROCAP MARKETING, INC. and SUBSIDIARY)
Consolidated Statements of Stockholders' Deficit
December 31, 2014 and December 31, 2013

	Common Stock: par value $0.001		Additional		Total		
	Shares	Amount	Paid-In Capital	Accumulated Deficit	Stockholders' Deficit	Non-Controlling Interest	Total Equity (Deficit)
Balance, December 31, 2012	20,630,667	$ 20,631	$ 73,655	$ (539,344)	$ (445,058)	$ (33,018)	$ (478,076)
Amortization of deferred employee services	-	-	960	-	960	-	960
Net loss for the year ended December 31, 2013	-	-	-	(299,077)	(299,077)	(36,818)	(335,895)
Balance, December 31, 2013	20,630,667	20,631	74,615	(838,421)	(743,175)	(69,836)	(813,011)
Common shares issued for cash and subscriptions receivable at $0.15 per share	4,847,333	4,847	722,208	-	727,055	-	727,055
Issuance of stock for Spiral Toys LLC	18,130,667	18,131	2,701,513		2,719,644		2,719,644
Disposition of Discontinued Operations	(2,500,000)	(2,500)	373,408		370,908	74,586	445,494
Forgiveness of salary			276,250		276,250		276,250
Related party contributed capital			9,750		9,750		9,750
Shares issued for services	60,000	60	8,940		8,940		9,000
Conversion of Convertible Notes	168,000	168	41,832		41,832		42,000
Net loss for the year ended December 31, 2014	-	-	-	(3,460,207)	(3,460,207)		(3,460,207)
Net Loss attributable to NCI for the year ended December 31, 2014						(4,750)	(4,750)
Balance, December 31, 2014	41,336,667	$ 41,337	$ 4,208,516	$(4,298,628)	$ (49,003)	$ -	(48,775)

See accompanying notes to the consolidated financial statements.

SPIRAL TOYS, INC.
(formerly ROCAP MARKETING, INC. and SUBSIDIARY)
Consolidated Statements of Cash Flows

	For the Year Ended December 31, 2014	2013
OPERATING ACTIVITIES:		
Net income/(loss)	$ (3,460,207)	$ (299,076)
Adjustments to reconcile net loss to net cash used in operating activities:		
Contributed capital (salary)	9,750	-
Common stock issued for services	9,000	960
Notes/equity for services	84,000	-
Impairment of Goodwill	2,840,203	-
Changes in operating assets and liabilities:		
Accrued expense	(120,567)	-
Accounts payable	71,590	18,574
Accrued salaries	22,750	78,000
Accrued interest	11,011	7,683
Cash Used in Operating Activities - Continuing Operations	(532,470)	(193,859)
Cash Used in Operating Activities - Discontinued Operations	(907)	79,148
Net Cash Used in Operating Activities	(533,377)	(114,711)
INVESTING ACTIVITIES:		
Cash received from purchase of subsidiary	8	-
Cash Provided from Investing Activities	8	-
FINANCING ACTIVITIES:		
Proceeds from notes payable - related parties	10,000	62,602
Proceeds from sale of common stock for cash	727,055	-
Proceeds from notes payable	5,000	-
Repayment of notes payable	(5,000)	-
Cash Provided by Financing Activities - Continuing Operations	737,055	62,602
Cash Provided by Financing Activities - Discontinued Operations	24,659	68,123
Net Cash Provided by Financing Activities	761,714	130,725
NET CHANGE IN CASH	228,345	16,014
CASH AT BEGINNING OF YEAR	16,746	732
CASH AT END OF PERIOD	$ 245,091	$ 16,746
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Interest paid	$ -	$ -
Income tax paid	$ -	$ -
Non-Cash Investing and Financing Activities:		
Acquisition of Spiral Toys LLC	$ 2,719,644	$ -
Contribution of accrued salary payable to capital	$ 276,250	$ -
Common stock issued for notes payable	$ 42,000	$ -
Disposition of Lexi-Luu	$ 370,908	$ -

See accompanying notes to the consolidated financial statements.

SPIRAL TOYS, INC.

(formerly ROCAP MARKETING, INC and SUBSIDIARY)

Notes to the Consolidated Financial Statements
December 31, 2014 and 2013

NOTE 1 – ORGANIZATION AND OPERATIONS

Spiral Toys, Inc (formerly known as Rocap Marketing Inc.)

Spiral Toys, Inc. (Rocap Marketing Inc, ("Spiral Toys" or the "Company") was incorporated under the laws of the State of Nevada on September 2, 2010 under the name of Rocap Marketing Inc. In January 2015, the Company changed it s name to Spiral Toys, Inc..

Spiral Toys LLC

Spiral Toys LLC, ("Spiral") was formed as a limited liability company under the laws of the State of California on July 12, 2011. Spiral develops entertainment products in both physical toys as well as digital media. The acquisition of 100% of Spiral has been recorded on the purchase method of accounting in accordance with section 805-10-05 of the FASB Accounting Standards Codification. The Company allocated the purchase price of Spiral to the tangible assets acquired and liabilities assumed based on their estimated fair values. **See Note 5 for Acquisition of Spiral**.

Spiral revenue is currently generated in two different manners. The first is consulting revenue and is recognized upon the fulfillment of contractual milestones with pre-set remuneration. Currently the Company is engaged by a major studio in the development of entertainment properties. During 2014, this income amounted to $74,978, or 28% of reported revenues. The second line is based upon the sale of physical toys. The toys are sold through a third party distributor and Spiral receives 50% of the net profit per item. Only settled invoices are taken into revenue. During the period in 2014, the income associated with this second line was $194,321. The amount earned on these sales represents 72% of the net amount received by the distributor of the product, after deduction of the cost to produce. As such, there are no costs of goods sold associated with the income.

Goodwill of $2,840,203 has been recorded upon the acquisition of Spiral. The Company will analyze the goodwill periodically and if impairment is determined, will adjust the balances accordingly. During the fourth quarter of 2014, management determined that a complete write-off of the goodwill was justified and recorded an impairment charge of the full amount.

Divestiture of Lexi-Luu Designs, Inc.

On September 15, 2010, the Company acquired Lexi-Luu Designs, Inc. (Lexi-Luu) in exchange for 2.5 million shares of the Company's common stock. Lexi-Luu manufactures and markets exclusive dancewear for youth.

On July 1, 2014 Mr. Hubert J. Blanchette, CEO of Lexi-Luu, exercised his right to exchange his 2.5 million common shares of Rocap in exchange for the return of 100 percent of the ownership of Lexi-Luu. This transaction effectively ended the parent-subsidiary relationship of Rocap and Lexi-Luu. As such, all references to Lexi-Luu activity in the financial statements are referred to as discontinued operations. See Footnote 5 "Discontinued Operations" for further discussion of the discontinued operations of Lexi-Luu.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Company's consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Principle of Consolidation

The Company applies the guidance of Topic 810 *"Consolidation"* of the FASB Accounting Standards Codification to determine whether and how to consolidate another entity. Pursuant to ASC Paragraph 810-10-15-10 all majority-owned subsidiaries—all entities in which a parent has a controlling financial interest—shall be consolidated except (1) when control does not rest with the parent, the majority owner; (2) if the parent is a broker-dealer within the scope of Topic 940 and control is likely to be temporary; (3) consolidation by an investment company within the scope of Topic 946 of a non-investment-company investee. Pursuant to ASC Paragraph 810-10-15-8 the usual condition for a controlling financial interest is ownership of a majority voting interest, and, therefore, as a general rule ownership by one reporting entity, directly or indirectly, of more than 50 percent of the outstanding voting shares of another entity is a condition pointing toward consolidation. The power to control may also exist with a lesser percentage of ownership, for example, by contract, lease, agreement with other stockholders, or by court decree. The Company consolidates all less-than-majority-owned subsidiaries, if any, in which the parent's power to control exists.
The Company's consolidated subsidiaries and/or entities are as follows:

Name of consolidated subsidiary or entity	State or other jurisdiction of incorporation or organization	Date of incorporation or formation (date of acquisition, if applicable)	Attributable interest
Spiral Toys LLC.	State of California	July 11, 2011 (July 1, 2014)	100%
Lexi-Luu Designs Inc.(discontinued 7/1/2014)	The State of Nevada	September 3, 2010 (September 15, 2010)	80%

The consolidated financial statements include all accounts of the Company and its consolidated subsidiaries and/or entities as of the reporting period ending date(s) and for the reporting period(s) then ended. All inter-company balances and transactions have been eliminated.

Reclassification

Certain amounts in the prior period financial statements have been reclassified to conform to the current period presentation. These reclassifications had no effect on reported losses.

Use of Estimates and Assumptions

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reporting amounts of revenues and expenses during the reporting period.

The Company's significant estimates and assumptions include the fair value of financial instruments; allowance for doubtful accounts; inventory valuation and obsolescence; the carrying value, recoverability and impairment, if any, of long-lived assets including the values assigned to and the estimated useful lives of equipment, and goodwill; interest rate; revenue recognized or recognizable; sales returns and allowances; income tax rate, income tax provision, deferred tax assets and valuation allowance of deferred tax assets; and the assumption that the Company will continue as a going concern. Those significant accounting estimates or assumptions bear the risk of change due to the fact that there are uncertainties attached to those estimates or assumptions, and certain estimates or assumptions are difficult to measure or value.

Management bases its estimates on historical experience and on various assumptions that are believed to be reasonable in relation to the financial statements taken as a whole under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources.

Management regularly evaluates the key factors and assumptions used to develop the estimates utilizing currently available information, changes in facts and circumstances, historical experience and reasonable assumptions. After such evaluations, if deemed appropriate, those estimates are adjusted accordingly.

Actual results could differ from those estimates.

Fair Value of Financial Instruments

The Company follows paragraph 825-10-50-10 of the FASB Accounting Standards Codification for disclosures about fair value of its financial instruments and paragraph 820-10-35-37 of the FASB Accounting Standards Codification ("Paragraph 820-10-35-37") to measure the fair value of its financial instruments. Paragraph 820-10-35-37 establishes a framework for measuring fair value in generally accepted accounting principles (U.S. GAAP), and expands disclosures about fair value measurements. To increase consistency and comparability in fair value measurements and related disclosures, Paragraph 820-10-35-37 establishes a fair value hierarchy which prioritizes the inputs to valuation techniques used to measure fair value into three (3) broad levels. The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three (3) levels of fair value hierarchy defined by Paragraph 820-10-35-37 are described below:

Level 1 Quoted market prices available in active markets for identical assets or liabilities as of the reporting date.

Level 2 Pricing inputs other than quoted prices in active markets included in Level 1, which are either directly or indirectly observable as of the reporting date.

Level 3 Pricing inputs that are generally observable inputs and not corroborated by market data.

Financial assets are considered Level 3 when their fair values are determined using pricing models, discounted cash flow methodologies or similar techniques and at least one significant model assumption or input is unobservable.

The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. If the inputs used to measure the financial assets and liabilities fall within more than one level described above, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

The carrying amounts of the Company's financial assets and liabilities, such as cash, accounts receivable, other receivables, accounts payable salaries payable and interest payable, approximate their fair values because of the short maturity of these instruments.

The Company's notes payable approximates the fair value of such instrument based upon management's best estimate of interest rates that would be available to the Company for similar financial arrangements at December 31, 2014 and 2013.

Transactions involving related parties cannot be presumed to be carried out on an arm's-length basis, as the requisite conditions of competitive, free-market dealings may not exist. Representations about transactions with related parties, if made, shall not imply that the related party transactions were consummated on terms equivalent to those that prevail in arm's-length transactions unless such representations can be substantiated.

It is not, however, practical to determine the fair value of advances from stockholders, if any, due to their related party nature.

Fair Value of Non-Financial Assets or Liabilities Measured on a Recurring Basis

The Company's non-financial assets include inventories. The Company identifies potentially excess and slow-moving inventories by evaluating turn rates, inventory levels and other factors. Excess quantities are identified through evaluation of inventory aging, review of inventory turns and historical sales experiences. The Company provides lower of cost or market reserves for such identified excess and slow-moving inventories. The Company establishes a reserve for inventory shrinkage, if any, based on the historical results of physical inventory cycle counts.

Carrying Value, Recoverability and Impairment of Long-Lived Assets

The Company has adopted paragraph 360-10-35-17 of the FASB Accounting Standards Codification for its long-lived assets. The Company's long-lived assets, which include property and equipment, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

The Company assesses the recoverability of its long-lived assets by comparing the projected undiscounted net cash flows associated with the related long-lived asset or group of long-lived assets over their remaining estimated useful lives against their respective carrying amounts. Impairment, if any, is based on the excess of the carrying amount over the fair value of those assets. Fair value is generally determined using the asset's expected future discounted cash flows or market value, if readily determinable. If long-lived assets are determined to be recoverable, but the newly determined remaining estimated useful lives are shorter than originally estimated, the net book values of the long-lived assets are depreciated over the newly determined remaining estimated useful lives.

The Company considers the following to be some examples of important indicators that may trigger an impairment review: (i) significant under-performance or losses of assets relative to expected historical or projected future operating results; (ii) significant changes in the manner or use of assets or in the Company's overall strategy with respect to the manner or use of the acquired assets or changes in the Company's overall business strategy; (iii) significant negative industry or economic trends; (iv) increased competitive pressures; and (v) regulatory changes. The Company evaluates acquired assets for potential impairment indicators at least annually and more frequently upon the occurrence of such events(See Footnote 6 "Acquisition of Spiral Toys LLC" for a discussion of the impairment of goodwill and the subsequent charge-off.

Inherent Risk in the Estimates

Management makes estimates of fair values based upon assumptions believed to be reasonable. These estimates are based on historical experience and information obtained from the management of the acquired companies. Critical estimates in valuing certain of the intangible assets include but are not limited to: future expected cash flows from revenues, customer relationships, key management and market positions, assumptions about the period of time the acquired trade names will continue to be used in the Company's combined portfolio of products and/or services, and discount rates used to establish fair value. These estimates are inherently uncertain and unpredictable. Assumptions may be incomplete or inaccurate, and unanticipated events and circumstances may occur which may affect the accuracy or validity of such assumptions, estimates or actual results.

Cash Equivalents

For the purposes of the statement of cash flows, the Company considers all investments with original maturities of three months or less to be cash equivalents.

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable are recorded at the invoiced amount, net of an allowance for doubtful accounts. The Company follows paragraph 310-10-50-9 of the FASB Accounting Standards Codification to estimate the allowance for doubtful accounts. The Company performs on-going credit evaluations of its customers and adjusts credit limits based upon payment history and the customer's current credit worthiness, as determined by the review of their current credit information; and determines the allowance for doubtful accounts based on historical write-off experience, customer specific facts and economic conditions.

Pursuant to paragraph 310-10-50-2 of the FASB Accounting Standards Codification account balances are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote. The Company has adopted paragraph 310-10-50-6 of the FASB Accounting Standards Codification and determine when receivables are past due or delinquent based on how recently payments have been received.

Outstanding account balances are reviewed individually for collectability. The allowance for doubtful accounts is the Company's best estimate of the amount of probable credit losses in the Company's existing accounts receivable. Bad debt expense is included in general and administrative expenses, if any.

The Company's allowance for doubtful accounts was $0 for December 31, 2014. For 2013, $2,375 had been reserved but restated as part of the reporting of discontinued operations.

The Company does not have any off-balance-sheet credit exposure to its customers.

Property and Equipment

Property and equipment are recorded at cost. Expenditures for major additions and betterments are capitalized. Maintenance and repairs are charged to operations as incurred. Depreciation of property and equipment is computed by the straight-line method (after taking into account their respective estimated residual values) over the assets estimated useful lives ranging from three to five years for tooling, five years for computers and vehicles, and five to seven years for furniture and equipment. Upon sale or retirement of property and equipment, the related cost and accumulated depreciation are removed from the accounts and any gain or loss is reflected in the consolidated statement of operations.

Leasehold improvements, if any, are amortized on a straight-line basis over the term of the lease or the estimated useful lives, whichever is shorter. Upon becoming fully amortized, the related cost and accumulated amortization are removed from the accounts.

Related Parties

The Company follows subtopic 850-10 of the FASB Accounting Standards Codification for the identification of related parties and disclosure of related party transactions.

Pursuant to Section 850-10-20 the related parties include a. affiliates of the Company; b. entities for which investments in their equity securities would be required, absent the election of the fair value option under the Fair Value Option Subsection of Section 825–10–15, to be accounted for by the equity method by the investing entity; c. trusts for the benefit of employees, such as pension and profit-sharing trusts that are managed by or under the trusteeship of management; d. principal owners of the Company; e. management of the Company; f. other parties with which the Company may deal if one party controls or can significantly influence the management or operating policies of the other to an extent that one of the transacting parties might be prevented from fully pursuing its own separate interests; and g. other parties that can significantly influence the management or operating policies of the transacting parties or that have an ownership interest in one of the transacting parties and can significantly influence the other to an extent that one or more of the transacting parties might be prevented from fully pursuing its own separate interests.

The financial statements shall include disclosures of material related party transactions, other than compensation arrangements, expense allowances, and other similar items in the ordinary course of business. However, disclosure of transactions that are eliminated in the preparation of consolidated or combined financial statements is not required in those statements. The disclosures shall include: a. the nature of the relationship(s) involved; b. description of the transactions, including transactions to which no amounts or nominal amounts were ascribed, for each of the periods for which income statements are presented, and such other information deemed necessary to an understanding of the effects of the transactions on the financial statements; c. the dollar amounts of transactions for each of the periods for which income statements are presented and the effects of any change in the method of establishing the terms from that used in the preceding period; and d. amounts due from or to related parties as of the date of each balance sheet presented and, if not otherwise apparent, the terms and manner of settlement.

Commitment and Contingencies

The Company follows subtopic 450-20 of the FASB Accounting Standards Codification to report accounting for contingencies. Certain conditions may exist as of the date the consolidated financial statements are issued, which may result in a loss to the Company but which will only be resolved when one or more future events occur or fail to occur. The Company assesses such contingent liabilities, and such assessment inherently involves an exercise of judgment. In assessing loss contingencies related to legal proceedings that are pending against the Company or unasserted claims that may result in such proceedings, the Company evaluates the perceived merits of any legal proceedings or unasserted claims as well as the perceived merits of the amount of relief sought or expected to be sought therein.

If the assessment of a contingency indicates that it is probable that a material loss has been incurred and the amount of the liability can be estimated, then the estimated liability would be accrued in the Company's consolidated financial statements. If the assessment indicates that a potential material loss contingency is not probable but is reasonably possible, or is probable but cannot be estimated, then the nature of the contingent liability, and an estimate of the range of possible losses, if determinable and material, would be disclosed.

Loss contingencies considered remote are generally not disclosed unless they involve guarantees, in which case the guarantees would be disclosed. Management does not believe, based upon information available at this time, that these matters will have a material adverse effect on the Company's consolidated financial position, results of operations or cash flows. However, there is no assurance that such matters will not materially and adversely affect the Company's business, financial position, and results of operations or cash flows.

Non-controlling Interest

The Company follows paragraph 810-10-65-1 of the FASB Accounting Standards Codification to report the non-controlling interest in the consolidated balance sheets within the equity section, separately from the Company's stockholders' equity. Non-controlling interest represents the non-controlling interest holder's proportionate share of the equity of the Company's majority-owned subsidiary. Non-controlling interest is adjusted for the non-controlling interest holder's proportionate share of the earnings or losses and other comprehensive income (loss), if any, and the non-controlling interest continues to be attributed its share of losses even if that attribution results in a deficit non-controlling interest balance.

Revenue Recognition

The Company applies the provisions of ASC 605 which provides guidance on the recognition, presentation, and disclosure of revenue in financial statements filed with the SEC. ASC 605 outlines the basic criteria that must be met to recognize revenue and provides guidance for disclosure related to revenue recognition policies.

Spiral revenue is currently generated in two manners. The first is consulting and other revenue that is recognized upon the fulfillment of contractual milestones with pre-set remuneration. The second revenue source is the sale of physical toys. The toys are sold through a third party distributor and Spiral receives a percentage of the net profit per unit. As the Company takes no part of the actual sales and manufacturing process, no direct cost of goods sold is recognized.

General and Administrative Expenses

General and administrative expenses include those indirect costs of operating the business such as office supplies, travel and utilities. Net shipping and handling costs are immaterial and are therefore included in general administrative expenses.

Stock-Based Compensation for Obtaining Employee Services

The Company accounts for its stock based compensation in which the Company obtains employee services in share-based payment transactions under the recognition and measurement principles of the fair value recognition provisions of section 718-10-30 of the FASB Accounting Standards Codification. Pursuant to paragraph 718-10-30-6 of the FASB Accounting Standards Codification, all transactions in which goods or services are the consideration received for the issuance of equity instruments are accounted for based on the fair value of the consideration received or the fair value of the equity instrument issued, whichever is more reliably measurable. The measurement date used to determine the fair value of the equity instrument issued is the earlier of the date on which the performance is complete or the date on which it is probable that performance will occur. If the Company is a newly formed corporation or shares of the Company are thinly traded the use of share prices established in the Company's most recent private placement memorandum ("PPM"), or weekly or monthly price observations would generally be more appropriate than the use of daily price observations as such shares could be artificially inflated due to a larger spread between the bid and asked quotes and lack of consistent trading in the market.

The fair value of each option award is estimated on the date of grant using a Black-Scholes option-pricing valuation model. The ranges of assumptions for inputs are as follows:

- Expected term of share options and similar instruments: The expected life of options and similar instruments represents the period of time the option and/or warrant are expected to be outstanding. Pursuant to Paragraph 718-10-50-2(f)(2)(i) of the FASB Accounting Standards Codification the expected term of share options and similar instruments represents the period of time the options and similar instruments are expected to be outstanding taking into consideration of the contractual term of the instruments and employees' expected exercise and post-vesting employment termination behavior into the fair value (or calculated value) of the instruments. Pursuant to paragraph 718-10-S99-1, it may be appropriate to use the *simplified method, i.e., expected term = ((vesting term + original contractual term) / 2),* if (i) A company does not have sufficient historical exercise data to provide a reasonable basis upon which to estimate expected term due to the limited period of time its equity shares have been publicly traded; (ii) A company significantly changes the terms of its share option grants or the types of employees that receive share option grants such that its historical exercise data may no longer provide a reasonable basis upon which to estimate expected term; or (iii) A company has or expects to have significant structural changes in its business such that its historical exercise data may no longer provide a reasonable basis upon which to estimate expected term. The Company uses the simplified method to calculate expected term of share options and similar instruments as the company does not have sufficient historical exercise data to provide a reasonable basis upon which to estimate expected term.

- Expected volatility of the entity's shares and the method used to estimate it. Pursuant to ASC Paragraph 718-10-50-2(f)(2)(ii) a thinly-traded or nonpublic entity that uses the calculated value method shall disclose the reasons why it is not practicable for the Company to estimate the expected volatility of its share price, the appropriate industry sector index that it has selected, the reasons for selecting that particular index, and how it has calculated historical volatility using that index. The Company uses the average historical volatility of the comparable companies over the expected contractual life of the share options or similar instruments as its expected volatility. If shares of a company are thinly traded the use of weekly or monthly price observations would generally be more appropriate than the use of daily price observations as the volatility calculation using daily observations for such shares could be artificially inflated due to a larger spread between the bid and asked quotes and lack of consistent trading in the market.

- Expected annual rate of quarterly dividends. An entity that uses a method that employs different dividend rates during the contractual term shall disclose the range of expected dividends used and the weighted-average expected dividends. The expected dividend yield is based on the Company's current dividend yield as the best estimate of projected dividend yield for periods within the expected term of the share options and similar instruments.

- Risk-free rate(s). An entity that uses a method that employs different risk-free rates shall disclose the range of risk-free rates used. The risk-free interest rate is based on the U.S. Treasury yield curve in effect at the time of grant for periods within the expected term of the share options and similar instruments.

The Company's policy is to recognize compensation cost for awards with only service conditions and a graded vesting schedule on a straight-line basis over the requisite service period for the entire award.

Equity Instruments Issued to Parties other than Employees for Acquiring Goods or Services

The Company accounts for equity instruments issued to parties other than employees for acquiring goods or services under guidance of Subtopic 505-50 of the FASB Accounting Standards Codification ("Subtopic 505-50").

Pursuant to ASC Section 505-50-30, all transactions in which goods or services are the consideration received for the issuance of equity instruments are accounted for based on the fair value of the consideration received or the fair value of the equity instrument issued, whichever is more reliably measurable. The measurement date used to determine the fair value of the equity instrument issued is the earlier of the date on which the performance is complete or the date on which it is probable that performance will occur. If the Company is a newly formed corporation or shares of the Company are thinly traded the use of share prices established in the Company's most recent private placement memorandum ("PPM"), or weekly or monthly price observations would generally be more appropriate than the use of daily price observations as such shares could be artificially inflated due to a larger spread between the bid and asked quotes and lack of consistent trading in the market.
The fair value of option or warrant award is estimated on the date of grant using a Black-Scholes option-pricing valuation model. The ranges of assumptions for inputs are as follows:

- Expected term of share options and similar instruments: Pursuant to Paragraph 718-10-50-2 of the FASB Accounting Standards Codification the expected term of share options and similar instruments represents the period of time the options and similar instruments are expected to be outstanding taking into consideration of the contractual term of the instruments and holder's expected exercise behavior into the fair value (or calculated value) of the instruments. The Company uses historical data to estimate holder's expected exercise behavior. The contractual term of share options or similar instruments is used as expected term of share options or similar instruments for the Company if it is a newly formed corporation.

- Expected volatility of the entity's shares and the method used to estimate it. An entity that uses a method that employs different volatilities during the contractual term shall disclose the range of expected volatilities used and the weighted-average expected volatility. A thinly-traded or nonpublic entity that uses the calculated value method shall disclose the reasons why it is not practicable for the Company to estimate the expected volatility of its share price, the appropriate industry sector index that it has selected, the reasons for selecting that particular index, and how it has calculated historical volatility using that index. The Company uses the average historical volatility of the comparable companies over the expected contractual life of the share options or similar instruments as its expected volatility. If shares of a company are thinly traded the use of weekly or monthly price observations would generally be more appropriate than the use of daily price observations as the volatility calculation using daily observations for such shares could be artificially inflated due to a larger spread between the bid and asked quotes and lack of consistent trading in the market.

- Expected annual rate of quarterly dividends. An entity that uses a method that employs different dividend rates during the contractual term shall disclose the range of expected dividends used and the weighted-average expected dividends. The expected dividend yield is based on the Company's current dividend yield as the best estimate of projected dividend yield for periods within the expected contractual life of the option and similar instruments.

- Risk-free rate(s). An entity that uses a method that employs different risk-free rates shall disclose the range of risk-free rates used. The risk-free interest rate is based on the U.S. Treasury yield curve in effect at the time of grant for periods within the contractual life of the option and similar instruments.

Pursuant to ASC paragraph 505-50-25-7, if fully vested, non-forfeitable equity instruments are issued at the date the grantor and grantee enter into an agreement for goods or services (no specific performance is required by the grantee to retain those equity instruments), then, because of the elimination of any obligation on the part of the counterparty to earn the equity instruments, a measurement date has been reached. A grantor shall recognize the equity instruments when they are issued (in most cases, when the agreement is entered into). Whether the corresponding cost is an immediate expense or a prepaid asset (or whether the debit should be characterized as contra-equity under the requirements of paragraph 505-50-45-1) depends on the specific facts and circumstances. Pursuant to ASC paragraph 505-50-45-1, a grantor may conclude that an asset (other than a note or a receivable) has been received in return for fully vested, non-forfeitable equity instruments that are issued at the date the grantor and grantee enter into an agreement for goods or services (and no specific performance is required by the grantee in order to retain those equity instruments). Such an asset shall not be displayed as contra-equity by the grantor of the equity instruments. The transferability (or lack thereof) of the equity instruments shall not affect the balance sheet display of the asset. This guidance is limited to transactions in which equity instruments are transferred to other than employees in exchange for goods or services. Section 505-50-30 provides guidance on the determination of the measurement date for transactions that are within the scope of this Subtopic.

Pursuant to Paragraphs 505-50-25-8 and 505-50-25-9, an entity may grant fully vested, non-forfeitable equity instruments that are exercisable by the grantee only after a specified period of time if the terms of the agreement provide for earlier exercisability if the grantee achieves specified performance conditions. Any measured cost of the transaction shall be recognized in the same period(s) and in the same manner as if the entity had paid cash for the goods or services or used cash rebates as a sales discount instead of paying with, or using, the equity instruments. A recognized asset, expense, or sales discount shall not be reversed if a stock option that the counterparty has the right to exercise expires unexercised.

Pursuant to ASC paragraph 505-50-30-S99-1, if the Company receives a right to receive future services in exchange for unvested, forfeitable equity instruments, those equity instruments are treated as unissued for accounting purposes until the future services are received (that is, the instruments are not considered issued until they vest). Consequently, there would be no recognition at the measurement date and no entry should be recorded.

Income Tax Provision

The Company accounts for income taxes under Section 740-10-30 of the FASB Accounting Standards Codification, which requires recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements or tax returns. Under this method, deferred tax assets and liabilities are based on the differences between the financial statement and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. Deferred tax assets are reduced by a valuation allowance to the extent management concludes it is more likely than not that the assets will not be realized. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the Consolidated Statements of Income and Comprehensive Income in the period that includes the enactment date.

The Company adopted section 740-10-25 of the FASB Accounting Standards Codification ("Section 740-10-25"). Section 740-10-25 addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under Section 740-10-25, the Company may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position should be measured based on the largest benefit that has a greater than fifty (50) percent likelihood of being realized upon ultimate settlement. Section 740-10-25 also provides guidance on de-recognition, classification, interest and penalties on income taxes, accounting in interim periods and requires increased disclosures.

The estimated future tax effects of temporary differences between the tax basis of assets and liabilities are reported in the accompanying consolidated balance sheets, as well as tax credit carry-backs and carry-forwards. The Company periodically reviews the recoverability of deferred tax assets recorded on its consolidated balance sheets and provides valuation allowances as management deems necessary.

Management makes judgments as to the interpretation of the tax laws that might be challenged upon an audit and cause changes to previous estimates of tax liability. In addition, the Company operates within multiple taxing jurisdictions and is subject to audit in these jurisdictions. In management's opinion, adequate provisions for income taxes have been made for all years. If actual taxable income by tax jurisdiction varies from estimates, additional allowances or reversals of reserves may be necessary.

Uncertain Tax Positions

The Company did not take any uncertain tax positions and had no material adjustments to its income tax liabilities or benefits pursuant to the provisions of Section 740-10-25 for the year ended December 31, 2014 or 2013.

Net Income (Loss) per Common Share

Net income (loss) per common share is computed pursuant to section 260-10-45 of the FASB Accounting Standards Codification. Basic net income (loss) per common share is computed by dividing net income (loss) by the weighted average number of shares of common stock outstanding during the period. Diluted net income (loss) per common share is computed by dividing net income (loss) by the weighted average number of shares of common stock and potentially outstanding shares of common stock during the period to reflect the potential dilution that could occur from common shares issuable through contingent share arrangements, stock options and warrants.

There were no potentially dilutive common shares outstanding for the year ended December 31, 2014 or 2013.

Cash Flows Reporting

The Company adopted paragraph 230-10-45-24 of the FASB Accounting Standards Codification for cash flows reporting, classifies cash receipts and payments according to whether they stem from operating, investing, or financing activities and provides definitions of each category, and uses the indirect or reconciliation method ("Indirect method") as defined by paragraph 230-10-45-25 of the FASB Accounting Standards Codification to report net cash flow from operating activities by adjusting net income to reconcile it to net cash flow from operating activities by removing the effects of (a) all deferrals of past operating cash receipts and payments and all accruals of expected future operating cash receipts and payments and (b) all items that are included in net income that do not affect operating cash receipts and payments.

Subsequent Events

The Company follows the guidance in Section 855-10-50 of the FASB Accounting Standards Codification for the disclosure of subsequent events. The Company will disclose the date through which subsequent events have been evaluated and that date is the date when the financial statements were issued.

Recently Issued Accounting Pronouncements

Management does not believe that any other recently issued, but not yet effective accounting pronouncements, if adopted, would have a material effect on the accompanying financial statements.

Development costs and media expenses, both as a part of the production and sales of the toys, are expensed in the period incurred.

NOTE 3 – GOING CONCERN

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern, which contemplates continuity of operations, realization of assets, and liquidation of liabilities in the normal course of business.

As reflected in the accompanying consolidated financial statements, the Company had an accumulated deficit at December 31, 2014, a net loss and net cash used in operating activities for the year then ended. These factors raise substantial doubt about the Company's ability to continue as a going concern.

While the Company is attempting to establish an ongoing source of revenues sufficient to cover its operating costs and allow it to continue as a going concern, the Company's cash position may not be significant enough to support the Company's daily operations. Management intends to raise additional funds by seeking equity and/or debt financing. Management believes that the actions presently being taken to further implement its business plan and generate revenues provide the opportunity for the Company to continue as a going concern. While the Company believes in the viability of its strategy to generate revenues and in its ability to raise additional funds, there can be no assurances to that effect. The ability of the Company to continue as a going concern is dependent upon the Company's ability to further implement its business plan and generate revenues.

The consolidated financial statements do not include any adjustments related to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.
going concern.

NOTE 4 – NOTES PAYABLE – RELATED PARTIES

At December 31, 2014 and December 31, 2013 the Company had the following uncollateralized notes payable to related parties:

	December 31, 2014	December 31, 2013
Note dated October 25, 2010, with interest at 12% per annum, due on demand	15,000	15,000
Note dated January 27, 2012, non-interest bearing, due on January 26, 2013	5,000	5,000
Note dated February 27, 2012, non-interest bearing, due on February 26, 2013	5,000	5,000
Note dated March 31, 2012, non-interest bearing, due on March 30, 2013	250	250
Note dated April 18, 2012, with interest at 10% per annum, due on April 17, 2013	2,472	2,472
Note dated April 18, 2012, with interest at 10% per annum, due on April 17, 2013	2,471	2,471
Note dated June 15, 2012, with interest at 10% per annum, due on June 14, 2013	5,000	5,000
Note dated June 15, 2012, with interest at 10% per annum, due on June 14, 2013	5,000	5,000
Note dated June 15, 2012, with interest at 10% per annum, due on June 14, 2013	2,943	2,943

Note dated January 23, 2013, with interest at 10% per annum, due on demand	2,970	2,970
Note dated March 5, 2013, with interest at 10% per annum, due on demand	7,500	7,500
Note dated March 20, 2013, with interest at 10% per annum, due on demand	8,700	8,700
Note dated June 3, 2013, with interest at 10% per annum, due on demand	10,000	10,000
Note dated June 12, 2013, with interest at 10% per annum, due on demand	10,000	10,000
Note dated October 9, 2013, with interest at 10% per annum, due on demand	8,432	8,432
Note dated December 12, 2013, with interest at 10% per annum, due on demand	15,000	15,000
Note dated March 25, 2014, with interest at 10% per annum, due on demand	10,000	-
Total related-party notes payable - current	$ 115,738	$ 105,738

In connection with the acquisition of Spiral, the holders of the Notes Payable-related parties agreed the notes would not be payable until the Company has raised at least $2 million in financing, and the Company agreed that the holders could, at any time, convert the principal and interest on the notes into common stock at $0.25 per share..

In July 2014, Spiral engaged a firm to provide marketing services. As part of the agreement, the vendor receives $7,000 per month in convertible notes which can be exchanged for common stock at $0.25 per share. Should the vendor chose to receive the common stock, it receives an equal number of shares in a "bonus" payment. As of December 31, 2014, there were $42,000 due the vendor as a result of services provided during the fourth quarter of 2014. These shares (amounting to 168,000) were issued in March 2015. A comparable amount of Notes and shares were issued in November 2014 for amounts outstanding as of September 30, 2014.

The Company has recognized interest expense of $54,065 and $7,684 for the twelve months ending December 31, 2014 and 2013, respectively. Of the amounts reported in 2014, $12,065 relates to the notes payable- related parties while $42,000 was incurred as interest on convertible short term notes during the Year.

NOTE 5 – DISCONTINUED OPERATIONS

On July 1, 2014 the Company transferred to Mr. Hubert J. Blanchette, CEO of Lexi-Luu Designs, Inc., ("Lexi-Luu") 2,500,000 shares of common stock of Lexi-Luu, representing 80% of the issued and outstanding shares in Lexi-Luu Designs, Inc. In exchange for the interest in Lexi-Luu, Mr. Blanchette surrendered to the Company 2,500,000 shares of the Company's common stock.

The Company originally purchased the 2,500,000 shares of Lexi-Luu in 2010 pursuant to a Stock Purchase and Share Exchange Agreement dated as of September 30, 2010 ("the Agreement"). The transfers on July 1, 2014 occurred upon Mr. Blanchette's exercise of an option given him in Section 3.3 of the Agreement, which provided Mr. Blanchette the right to exchange his shares in the Company for the shares of Lexi-Luu if the Company entered into an acquisition transaction that resulted in the dilution of Mr. Blanchette's interest in the Company. The Company completed such an acquisition with its acquisition of Spiral Toys LLC. on July 1, 2014.

The Company's financial statements have been retroactively restated so as to segregate the operations of the Lexi-Luu subsidiary, and to re-label such operations as discontinued. The Company's financial statements as of December 31, 2014 report the gain on the Lexi-Luu Disposition based on the removal of the balances as of July 1, 2014 as an increase in additional paid-in capital. The following table shows the assets and liabilities of Lexi-Luu as of July 1, 2014 and December 31, 2013 as well as results of operations for the six months ended July 1, 2014 and the year ended December 31, 2013.

	July 1, 2014	December 31, 2013
Assets	$ 71,339	$ 71,189
Liabilities	$ 512,840	$ 488,181
Net Revenues	$ 210,767	$ 583,770
Net Income (Loss)	$ (23,752)	$ (184,090)

Upon disposition of Lexi-Luu on July 1, 2014, the net assets and liabilities were removed from the balances of the Company resulting in $373,408 being posted to additional paid in capital of the Company. As these transactions were with a related party, the gain on the disposition was recorded as an addition to Additional Paid in Capital.

The following table shows the results of operations of Lexi-Luu during certain periods when it was owned by the Company:

	For the Period Ended	
	June 30, 2014	December 31, 2013
Sales	$ 210,767	$ 583,770
Cost of Goods Sold	110,368	271,342
Gross Profit	100,399	312,428
Operating Expenses	115,969	474,937
Loss from Operations	(15,570)	(162,509)
Other Income (Expenses)	(8,182)	(21,581)
Net Loss	$ (23,752)	$ (184,090)

NOTE 6 – ACQUISITION OF SPIRAL TOYS LLC

Spiral, LLC Share Exchange Agreement

On May 27, 2014 the Company entered into a Share Exchange Agreement (“the Agreement”) with Spiral Toys LLC, a California limited liability company (“Spiral”) and Mark Meyers, the sole member of Spiral. The Agreement was amended on June 30, 2014. On July 1, 2014, the acquisition and other transactions contemplated by the Agreement were completed.

Pursuant to the Agreement, on July 1, 2014 the Company purchased from Mark Meyers all of the membership interest in Spiral. In exchange for ownership of Spiral, the Company issued 18,130,667 shares of its common stock to Mark Meyers and his assignees, representing 50% of the outstanding shares. The shares were valued at $0.15 per share which is the common stock for cash sales price $0.20 at the time of the transaction. Rocap also agreed to institute a bonus program pursuant to which Mark Meyers could earn an additional 4,126,133 shares of common stock based upon performance criteria for Spiral to be agreed upon. Effective July 1, 2014 in connection with the acquisition, the Company recognized cash of $8 and liabilities (Advance from distributor) of $120,567. The Company recognized $2,840,203 of Goodwill with this transaction.

At the closing on July 1, 2014, pursuant to the Agreement, Mr. William Clayton resigned from the Company's Board of Directors and from his position on as Chief Operations Officer of the Company. The Board thereupon appointed Mark Meyers to serve as a member of the Board of Directors and as Chief Executive Officer of the Company.

In connection with the closing, Gordon McDougall (for himself and his company, Tezi Advisory) and Peter Henricsson agreed to modify the loans payable to them from the Company, which have an aggregate balance of approximately $120,000. The loans will be payable only when the Company has obtained financing of no less than $2,000,000, but will be convertible into the Company's common stock at the creditor's option at any time at a conversion rate of $0.25 per share.

Additionally, salaries payable of $276,250 were forgiven as part of the Spiral acquisition. These amounts, principally to two individuals, were eliminated and credited to Additional Paid in Capital.

Goodwill of $2,840,203 has been recorded upon the acquisition of Spiral. The Company will analyze the goodwill periodically and if impairment is determined, will adjust the balances accordingly. During the fourth quarter of 2014, management determined that a complete write-off of the goodwill was justified and recorded an impairment charge of the full amount.

For the twelve-month periods ended December 31, 2014 and 2013 the operations of Spiral consisted of the following:

	For the year ended December 31,	
	December 31, 2014	December 31, 2013
Sales	$ 314,688	$ 0
Operating Expenses	(618,567)	(323,453)
Net Loss	$ (328,087)	$ (323,453)

NOTE 7- COLLABORATIVE ARRANGEMENTS

The Company has entered into a distribution agreement with a Hong Kong based entity in 2013. Spiral receives 50% of the revenue generated in the sale of the items, net of the toy's cost of production and a 10% allocation to the distributor for overhead. In addition, certain development costs were funded by the distribution entity and will be repaid out of the proceeds of the toy sales. At the end of 2014, the amount due the distributor totaled $0. Sales recorded during 2014 were $194,321.

NOTE 8 – STOCKHOLDERS' DEFICIT

Shares Authorized

Upon formation the total number of shares of all classes of stock which the Company is authorized to issue is Seventy Five Million (75,000,000) shares of which One Million (1,000,000) shares shall be Preferred Stock, par value $0.001 per share, and Seventy Four Million (74,000,000) shares shall be Common Stock, par value $0.001 per share.

During the year ended 2013, there were no issuances of common stock.

During the year ended December 31, 2014, net common shares of 20,706,000 were issued/redeemed as follows:

Shares	Transactions	Valuation
18,130,667	For the acquisition of Spiral Toys LLC	Valued at the cash price for stock of $0.15 per share.
(2,500,000)	Redeemed as a result of disposition of discontinued operations	Based on contractual agreement
228,000	Issued for services rendered	Based on $.25 per share (168,000) and $.15 per share (60,000)
4,847,333	Private placement shares issued for $727,055	Based on $.15 per share

NOTE 9 – MANAGEMENT CONTRACTS

On September 1, 2010, the Company entered into a management agreement ("Management Agreement") with Peter Henricsson for consulting services to be provided by him ("Consultant") in the capacity of President of the Company which requires that the Company (i) to pay the Consultant $3,250 per month for three (3) years from date of signing and (ii) to issue the Consultant a total of 960,000 shares of its common stock payable on a quarterly basis over the term of the management agreement of 12 quarters (3 years). These shares were valued at $0.002 per share or $1,920 on the date of grant and amortized over the vesting period, or $160 per quarter. Through December 31, 2013 the Company has accrued at total of $126,750 in consulting fees payable under the terms of the Agreement. Subsequent to December 31, 2013 Mr. Henricsson resigned his position with the Company.

On September 1, 2010, the Company entered into a management agreement ("Management Agreement") with Tezi Advisory Inc. for consulting services to be provided by Gordon C. McDougall ("Consultant") in the capacity of Vice President Finance of the Company which requires that the Company to (i) pay the Consultant $3,250 per month for three (3) years from date of signing and (ii) to issue the Consultant a total of 960,000 shares of its common stock payable on a quarterly basis over the term of the management agreement of 12 quarters (3 years). These shares were valued at $0.002 per share or $1,920 on the date of grant and amortized over the vesting period, or $160 per quarter. As of December 31, 2013 the Company had accrued at total of $126,750 in consulting fees payable under the terms of the Agreement. As of December 31, 2014, the amount owed to is $62,081.

In connection with the acquisition of Spiral Toys LLC, all management agreements were ended and the amount due to these parties was modified. The Note due is payable in cash only after the raise of $2,000,000 of new capital. Otherwise, it is convertible into common stock of the Company at a rate of $.25.

NOTE 10-– CONCENTRATIONS

During the year ended December 31, 2014 the Company derived 100% of its revenues from two companies. During the year ended December 31, 2013 the Company derived 43% of its revenue from one company. The 2013 income was part of the discontinued operations.

NOTE 11 – INCOME TAX PROVISION

Deferred Tax Assets

Deferred taxes are provided on a liability method whereby deferred tax assets are recognized for deductible temporary differences and operating loss and tax credit carryforwards and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax bases. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment.

Net deferred tax liabilities consist of the following components as of December 31, 2014 and 2013:

		2014		2013
Deferred tax assets:				
NOL Carryover	$	288,400	$	283,400
Allowance for Doubtful Accounts		-		1,000
Related Party Accruals		-		17,500
Accrued Officer Payroll		-		124,400
Deferred tax liabilities				
Depreciation		-		-
Valuation allowance		(288,400)		(426,300)
Net deferred tax asset	$	-	$	-

The income tax provision differs from the amount of income tax determined by applying the U.S. federal income tax rate to pretax income from continuing operations for the years ended December 31, 2014 and 2013 due to the following:

		2014		2013
Book Income	$	(1,482,400)	$	(122,600)
Goodwill Amortization		1,176,200		-
Allowance for Doubtful Accounts		-		(6,800)
Related Party Accruals		-		9,500
Accrued Officer Payroll		-		52,700
Meals and Entertainment		1,000		500
Stock Compensation Expense		3,900		400
Penalties		-		4,100
Valuation allowance		301,300		62,200
	$	-	$	-

At December 31, 2014, the Company had net operating loss carryforwards of approximately $710,000 that may be offset against future taxable income from the year 2015 through 2034. No tax benefit has been reported in the December 31, 2014 consolidated financial statements since the potential tax benefit is offset by a valuation allowance of the same amount.

Due to the change in ownership provisions of the Tax Reform Act of 1986, net operating loss carryforwards for Federal income tax reporting purposes are subject to annual limitations. Should a change in ownership occur, net operating loss carryforwards may be limited as to use in future years.

NOTE 12 – SUBSEQUENT EVENTS

Formation of Subsidiaries

During 2015, the Company initiated formation of two new subsidiaries.
Spiral Toys LTD. is a British Columbia entity formed on February 27, 2015. The purpose of Spiral Toys LTD. is to engage in the development of the Company's products and offerings.

In March 2015, the Company filed for incorporation in Hong Kong through the formation of Spiral Toys Hong Kong Ltd. Spiral Hong Kong was formed to enable the Company to monitor and oversee the production of Cloud Pets.

Subsequent to December 31, 2014, the Company issued an additional 886,527 of common shares through a private placement of 416,333 shares of common stock for a purchase price of $0.30 per share, or a total of $124,900 cash, an issuance of 168,000 shares in exchange for $42,000 of convertible notes and 302,194 shares for services rendered.

ITEM 9: CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

None.

ITEM 9A: CONTROLS AND PROCEDURES

Our principal executive officer and principal financial officer participated in and supervised the evaluation of our disclosure controls and procedures (as defined in Rules 13(a)-15(e) and 15(d)-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")). The Company's chief executive officer and chief financial officer determined that, as of the end of the period covered by this report, the Company had a material weakness, specifically the lack of segregation of responsibilities due to the small number of members of management, inadequate documentation of internal controls and procedures, and the absence of oversight by an audit committee. As a result, Management concluded that the Company's disclosure controls and procedures were not effective at December 31, 2014.

There have been no changes in the company's internal control over financial reporting during the most recently completed fiscal quarter that have materially affected or are reasonably likely to materially affect, the company's internal control over financial reporting.

Management's Annual Report on Internal Control Over Financial Reporting

Management has conducted, with the participation of the Chief Executive Officer and the Chief Financial Officer, an assessment, including testing of the effectiveness of our internal control over financial reporting. The assessment was conducted using the criteria in Internal Control—Integrated Framework (1992) issued by the committee of Sponsoring Organizations of the Treadway Commission ("COSO").

A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis. In connection with management's assessment of the company's internal control over financial reporting, management identified the following material weakness in the company's internal control over financial reporting as of December 31, 2014. Management determined that at December 31, 2014, the company had a material weakness related to its control environment because it did not have a sufficient number of personnel to permit adequate segregation of accounting duties, had inadequate documentation of internal controls, procedures and corporate documentation, a lack of timely reconciliations, and was without an audit committee.

Because of the material weakness described above, management has concluded that the company did not maintain effective internal control over financial reporting as of December 31, 2014, based on the Internal Control—Integrated Framework issued by COSO.

This annual report does not include an attestation report of the Company's registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by the Company's registered public accounting firm pursuant to rules of the Securities and Exchange Commission that permit a smaller reporting company to provide only management's report in its annual report.

ITEM 9B: OTHER INFORMATION

None.

PART III

ITEM 10: DIRECTORS AND EXECUTIVE OFFICERS.

Identification of Directors and Executive Officers

The following individuals are the members of Spiral Toys' Board of Directors and/or its executive officers.

Name	Age	Position	Member of the Board Since
Mark Meyers	42	Chairman, Chief Executive Officer	2014
Gordon McDougall	57	Director	2010
David Christopher Adams	47	Director	2014
Robert K. Stewart	60	Chief Financial Officer	--

Mark Meyers

Mr. Meyers has been the CEO, President, Secretary and Director of Spiral Toys, Inc. since it acquired Spiral Toys LLC in July 2014. He is the founder of Spiral Toys LLC, which began in 2011. From 2005 until 2011, Mr. Meyers was employed as Vice President of Interactive Studios at The Walt Disney Company where he developed and launched several key interactive franchises for the company. From 2002 until 2005, Mark Meyers was employed as Studio General Manager at Sony Computer Entertainment. Prior to that, he was employed as Studio General Manager at Midway Games. Mr. Meyers was appointed to the board of directors of Spiral Toys because, with over 18 years of experience in the creation of entertainment software and emerging technologies, he has a robust background in technology, management and product development.

Gordon C. McDougall

Gordon McDougall has been a member of our board of directors since 2010, and served in various offices at various times from 2010 to 2014. Since February 2006, Mr. McDougall has been employed as the CEO of Tezi Advisory, Inc, a private company wholly owned by him that partners with entrepreneurs to grow their businesses. Mr. McDougall served as CEO and a member of the board of Bitzio, Inc. (OTC Pink: BTZO) from 2011 to 2012m and as a director of Bitzio until 2014. Mr. McDougall also served as a director and CEO of Exterra Energy, Inc., an oil and gas exploration company, from March 2006 until his resignation on September 19, 2007. He also served as President of Wentworth Energy, Inc., an oil and gas exploration company from February 2005 until August 2006 and as a director from February 2005 until July 2007. Mr. McDougall was appointed to the Spiral Toys board of directors because he has extensive experience in fundraising, the start-up phase of companies and is knowledgeable in attracting management personnel to start-up companies.

Christopher Adams

Mr. Adams has been involved in the management of international software and media companies for the past 17 years. He was appointed to the Rocap board to contribute his experience in development of international online entertainment brands. Since early in 2013 Mr. Adams has been employed as CEO and Executive Director of RivusTV Ltd. d/b/a Spondo, where he has been responsible for the business development and capital formation that have contributed to growth of that business. From 2011 to 2012 Mr. Adams was engaged as founder of Beachball Media, which functioned as a social and digital media agency. From 2008 to 2009 Mr. Adams served as a consultant to Glam Media, where he contributed to the development and launch of Glam's video platform. During his tenure at Facebook, from 2006 to 2008, Mr. Adams was a Producer responsible for developing the user-generated content/reality show, "Facebook Diaries.,". From 2003 to 2006, Mr. Adams was employed by Participant Media, a film company, as Chief Visionary Officer and Senior V.P. for Business Development. In the six prior years, Mr. Adams held consulting or senior management positions in the software industry with Lycos, Amazon and Xpherix. Mr. Adams was awarded an MFA in professional writing in 1995 by the University of Southern California and a B.A. with majors in English Literature and Mass Communications in 1989 by the University of Denver.

Robert Stewart

Mr. Stewart has been the Chief Financial Officer at Spiral Toys, LLC since September 2014. He has over 30 years of corporate finance, accounting and tax experience along with IPO experience. Since 2010 Mr. Stewart has been engaged as Partner in Stewart & Rijal CPA's, a public accounting firm. During the period from 2011 to 2013 Mr. Stewart was also employed as Chief Financial Officer of Phoenix 3D, Inc, a technology provider. From 2007 to 2010, Mr. Stewart was employed as Chief Financial Officer of Newsight Corp., which developed digital displays and computer imaging tools. From 2004 to 2007, Mr. Stewart was employed as Senior Vice President for Business Development by CVT Prepaid Solutions, which was a service provider for the prepaid calling card industry. In 1980 Mr. Stewart was awarded a Masters in Business Administration by the NYU - Stern School of Business.

Family Relationship

We currently do not have any officers or directors of our Company who are related to each other.

Audit Committee and Audit Committee Financial Expert

The Company does not have an audit committee or an audit committee financial expert (as defined in Item 407 of Regulation S-K) serving on its Board of Directors. The Company has not yet employed an audit committee financial expert on its Board due to the inability to attract such a person.

Code of Ethics

Our Board of Directors has not adopted a Code of Ethics due to the small number of members of management.

Compliance with Section 16(a) of the Exchange Act

The officers, directors and 10% shareholders of the Company are not subject to Section 16(a) of the Exchange Act, as it has not registered under Section 12(g) of the Exchange Act.

ITEM 11. EXECUTIVE COMPENSATION

The following table sets forth all compensation paid by Spiral Toys and its subsidiaries to our Chief Executive Officers for services as such during 2014, 2013 and 2012. There were no other executive officers whose total salary and bonus for 2014 exceeded $100,000.

Summary Compensation Table

	Year	*Salary*	*Bonus*	*Stock Award (6)*	*Option Award*	*Other Compensation*	*Total*
Mark Meyers(1)	2014	$120,000	-	-	-	-	$120,000
Gordon McDougall(2)	2014	$44,500	--	--	--	--	$ 44,500
Peter Henricsson(3)	2014	$ 3,250	--	--	--	--	4 3,250
	2013	--	--	--	--	--	--
	2012	--	--	--	--	--	--

---

(1) Mark Meyers was appointed CEO on July 1, 2014.
Gordon McDougall served as CEO from January 27, 2014 until July 1, 2014.
(2)
(3) Peter Henricsson served as CEO from 2010 until January 27, 2014.

Outstanding Equity Awards at Fiscal Year-End

None.

Long-Term Incentive Plans

There are no arrangements or plans in which we provide pension, retirement or similar benefits for directors or executive officers.

Compensation Committee

We currently do not have a compensation committee of the Board of Directors. The Board of Directors as a whole determines executive compensation.

Compensation of Directors

The board of directors has agreed that, for his services, the Company will issue 150,000 shares of common stock to David Christopher Adams, which will vest quarterly over two years of service beginning in August 2014. To date, none of those shares have been issued.

Except as set forth in the preceding paragraph, no compensation was given to members of the board of directors for services during 2014.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS.

Security Ownership of Management

The following table sets forth certain information with respect to the beneficial ownership of shares of common stock by (i) each person known to us who owns beneficially more than 5% of the outstanding shares of common stock (based upon reports which have been filed and other information known to us), (ii) each of our Directors, (iii) our Chief Executive Officer and (iv) all of our Executive Officers and Directors as a group. Unless otherwise indicated, each stockholder has sole voting and investment power with respect to the shares shown.

Title of class	Name, Title, and Address of Beneficial owner	Amount and Nature of Beneficial Ownership	Percentage of Common Stock [(1)(2)]
Common Stock	Peter Henricsson 1446 Bramwell Road West Vancouver, BC, Canada	7,460,000	18%
Common Stock	Gordon C. McDougall	7,460,000[(3)]	18%
Common Stock	Mark Meyers	13,598,001[(4)]	32%
Common Stock	David Christopher Adams	0	--
Common Stock	All Directors and Executive Officers (4 persons)	22,034,534	52%

(1) Based upon 42,223,194 shares outstanding as of April 7, 2015.

(2) Under Rule 13d-3 promulgated under the Exchange Act, a beneficial owner of a security includes any person who, directly or indirectly, through any contract, arrangement, understanding, relationship, or otherwise has or shares: (i) voting power, which includes the power to vote, or to direct the voting of shares; and (ii) investment power, which includes the power to dispose or direct the disposition of shares. Certain shares may be deemed to be beneficially owned by more than one person (if, for example, persons share the power to vote or the power to dispose of the shares). In addition, shares are deemed to be beneficially owned by a person if the person has the right to acquire the shares (for example, upon exercise of an option) within 60 days of the date as of which the information is provided. In computing the percentage ownership of any person, the amount of shares is deemed to include the amount of shares beneficially owned by such person (and only such person) by reason of these acquisition rights.

(3) Said shares are owned by Tezi Advisory, Inc., a private corporation wholly-owned by Gordon C. McDougall

(4) Includes shares beneficially owned through family members..

Changes in Control

There are no present arrangements or pledges of the Company's securities, which may result in a change in control of the Company.

ITEM 13: CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTORS INDEPENDENCE

Transactions with Related Persons

Except as indicated below, there were no material transactions, or series of similar transactions, during the Company's last two fiscal years, or any currently proposed transactions, or series of similar transactions, to which our Company or any of our subsidiaries was or is to be a party, in which the amount involved exceeded the lesser of $120,000 or one percent of the average of the Company's total assets at year-end for such fiscal years and in which any director, executive officer or any security holder who is known to us to own of record or beneficially more than five percent of any class of our common stock, or any member of the immediate family of any of the foregoing persons, had an interest.

As of December 31, 2014 and 2013 the Company was indebted to related parties in the amounts of $115,738 and $105,738, respectively. These notes are unsecured, and accrue interest at rates ranging from zero to 12 percent per annum.

Director Independence

One of our directors, David Christopher Adams, is independent within the definition prescribed by the Rules ot the NYSE MKT.

ITEM 14: PRINCIPAL ACCOUNTANT FEES AND SERVICES

The following is a summary of the fees billed to the Company by its principal accountants during the fiscal years ended December 31, 2014, and 2013:

Fee category	2014	2013
Audit fees	$ 48,000	$ 38,900
Audit-related fees	$ -	$ -
Tax fees	$ -	$ -
All other fees	$ -	$ -
Total fees	$ 48,000	$ 38,900

Audit Fees - Consists of fees for professional services rendered by our principal accountants for the audit of the Company's annual financial statements and review of the financial statements included in the Company's Forms 10-Q or services that are normally provided by our principal accountants in connection with statutory and regulatory filings or engagements.

Audit-related Fees - Consists of fees for assurance and related services by our principal accountants that are reasonably related to the performance of the audit or review of the Company's financial statements and are not reported under "Audit fees."

Tax Fees - Consists of fees for professional services rendered by our principal accountants for tax compliance, tax advice and tax planning.

All Other Fees - Consists of fees for products and services provided by our principal accountants, other than the services reported under "Audit fees," "Audit-related fees," and "Tax fees" above.

Policy on Audit Committee Pre-Approval of Audit and Permissible Non-Audit Services of Independent Auditors

The Company has not established an Audit Committee; therefore, there is no Audit Committee policy in this regard. However, the Company does not require approval in advance of the performance of professional services to be provided to the Company by its principal accountant. Additionally, all services rendered by our principal accountant are performed pursuant to a written engagement letter between us and the principal accountant.

PART IV

ITEM 15. EXHIBITS.

(a) Exhibits

3.1 Articles of Incorporation and Certificate of Correction - filed as an exhibit to our Registration Statement on Form S-1 filed on December 23, 2011 and incorporated herein by reference.

3.1(a) Articles of Merger of Spiral Toys Inc. into Rocap Marketing, Inc. filed on January 22, 2015 - filed as an exhibit to the Current Report on Form 8-K filed on January 23, 2015 and incorporated herein by reference.

3.2 By-laws - filed as an exhibit to our Registration Statement on Form S-1 filed on December 23, 2011 and incorporated herein by reference.

21.1 List of Subsidiaries : Spiral Toys, LLC, a California limited liability company

31.1 Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. *

31.2 Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. *

32.1 Certificate of Chief Executive Officer pursuant to 18 U.S.C.ss.1350.*

32.2 Certificate of Chief Financial Officer pursuant to 18 U.S.C.ss.1350.*

101.INS XBRL Instance
101.SCH XBRL Schema
101.CAL XBRL Calculation
101.DEF XBRL Definition
101.LAB XBRL Label
101.PRE XBRL Presentation

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Company caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

SPIRAL TOYS, INC.

Dated: April 15, 2015

By: /s/ Mark Meyers
Mark Meyers
Its: Chief Executive Officer

By: /s/ Robert Stewart
Robert Stewart
Its: Chief Financial Officer & Principal Accounting Officer

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, this Report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

/s/ Mark Meyers Mark Meyers Director, Chief Executive Officer	April 15, 2015
/s/ Robert Stewart Robert Stewart Chief Financial and Accounting Officer	April 15, 2015
/s/ Gordon McDougall Gordon McDougall, Director	April 15, 2015
/s/ David Christopher Adams David Christopher Adams, Director	April 15, 2015